

FISCAL NOTE

HB 3264 - SB 3254

March 9, 2000

SUMMARY OF BILL:

- Provides that localities deemed by the state to be a municipality after July 1, 1998 for the purposes of distributing grants or state-shared taxes that the state subsequently determines no longer qualifies as a municipality shall automatically become a planned growth area within the countywide growth plan.
- Provides that if such a locality has obligated or expended all or a portion of its grants or state-shared taxes for municipal purposes, then neither the locality nor any person acting on its behalf is required to return or repay the funds.
- Provides that if such locality has collected and obligated or expended municipal property taxes and is subsequently judicially determined to be unlawfully incorporated, then neither the locality nor any person acting on its behalf is required to return or repay the municipal property tax revenues that were obligated or expended for municipal purposes.

ESTIMATED FISCAL IMPACT:

MINIMAL

Current law does not require such localities to pay back state-shared taxes or property taxes. This bill provides clarification that they will not be required to. Only one municipality that was incorporated after July 1, 1998 has received state-shared taxes in the form of TVA in-lieu-of tax payments. For FY 98-99, the amount was \$11,759.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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